

Chairman's Message

There are few bank presidents who would celebrate an \$8 billion reduction in business over the previous year, but count me among them.

Here at the Export-Import Bank of the United States (Ex-Im Bank), we ensure that financing won't stand in the way of an American exporter closing a sale. We work with American entrepreneurs to create and support jobs in a fiercely competitive global marketplace. And we're getting results.

IN 2013, EX-IM BANK SUPPORTED \$37.4 BILLION WORTH OF U.S. EXPORTS AND 205,000 EXPORT-RELATED AMERICAN JOBS. OVER THE PAST FIVE YEARS, THE BANK HAS SUPPORTED OVER 1.2 MILLION JOBS IN COMMUNITIES ACROSS THE COUNTRY.

While Ex-Im's total financing may have decreased in fiscal year 2013, overall exports of American goods and services now are a record \$2.2 trillion a year, up from \$1.4 trillion only five years ago. This is proof that the private sector is once again stepping up and supporting jobs.

Since President Obama launched the National Export Initiative in 2009, we've seen a tremendous increase in U.S. exports, with a commensurate increase in export finance. More than ever, our work at Ex-Im Bank is supporting the small businesses and manufacturers that are the engine of the American economy. It is our job to help open doors to the world's most promising markets.

Developing economies on every continent continue to grow the global middle class, creating ever stronger demand for goods and services. This is a tremendous opportunity for American exporters, as an estimated 200 million new consumers are joining the global middle class every year.



And we are already seeing results. Here at Ex-Im Bank, we have financed more global infrastructure projects in the past three years than in the previous 17 years *combined*, supporting quality American jobs.

BRIDGING THE GAP BETWEEN AMERICAN BUSINESS AND THE WORLD'S CUSTOMERS

Ex-Im Bank still has a critical role to play in making sure that financing does not stand in the way of exporters. Our competitive financing enables them to reach the 95 percent of the world's customers that live outside the United States.

CONSIDER THE FOLLOWING:

- We financed **3,413 transactions for small-business exporters, the highest number ever for small businesses**, representing nearly 90 percent of transactions and 19 percent of total authorizations.
- **On top of that, one out of every five transactions went to women and minority-owned businesses**, another record high.
- Our 188 transactions for exports to **sub-Saharan Africa** represented an all-time high, as that region rapidly becomes one of **the world's most promising new export markets**.

- Ex-Im Bank's **success in financing exports from U.S. manufacturers** – nearly \$8.5 billion in 2013 – reflected this sector's rebound from the recession. In fact, manufacturing topped aircraft financing for the first time.
- Mexico became the first market to reach more than \$9.4 billion in Ex-Im Bank exposure – reflecting its strong growth, especially in purchases of U.S. exports of energy equipment and services.

MEETING EX-IM'S MISSION AND CONTRIBUTING TO DEFICIT REDUCTION

We take seriously our responsibility to U.S. taxpayers to fulfill our mission of supporting export-related jobs and prudent, responsible management. In FY 2013, Ex-Im Bank's financial performance excelled. A few performance highlights:

- **Ex-Im Bank sent \$1.057 billion to the U.S. Treasury – an all-time record** – for deficit reduction. That amount was the “negative subsidy” (profit) from interest and fees collected from our customers above and beyond the Bank's operating expenses of administrative costs and prudent reserve requirements.
- We had a **historically low active-default rate of 0.237 percent** for the last quarter of 2013. Consider this: Ex-Im Bank paid \$48.8 million in claims in FY 2013 on a total exposure of \$113.8 billion.
- And we have done it all with a staff of about 400 employees. We managed to support a staggering \$90.5 million in exports and 512 export-related jobs per employee in 2013.

Here at Ex-Im Bank, we always strive to provide government services “at the speed of business,” partnering with the private sector to support U.S. jobs. In October, we signed an agreement with Federal Express that will enable its sales and marketing professionals to guide small businesses to our financing products.

I am extremely proud of the work of every Ex-Im employee. And I am not alone in my admiration. Last year Ex-Im Bank was named the world's “Best Export Credit Agency” by both Trade Finance magazine and Trade and Forfeiting Review – well-deserved recognition.

MEETING THE CHALLENGES OF THE NEW COMPETITION

This past year, I was honored to be renominated by President Obama and confirmed by the Senate for a second four-year term as chairman and president of the Export-Import Bank. There is much work left to do.

There is a massive, global race to create jobs through increased exports. And often our main competitors in developing countries like China, India and Brazil simply do not abide by the same export-finance rules we follow. That makes for a brutally competitive landscape. Americans offer the world's highest-quality goods and services, but that may not be enough when up against government-owned and government-subsidized competitors. We need to ensure that there is a level playing field.

WHAT'S AHEAD

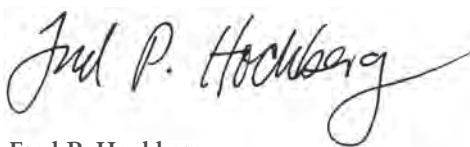
While our top line number may have been down for 2013, Ex-Im Bank is well-positioned for another impressive year in 2014. I expect to see continued growth in Mexico, especially in the energy sector. Other potential growth areas that may require Ex-Im financing include the aerospace, satellite and semiconductor industries.

But challenges remain.

The new capital requirements in Basel III will continue to constrain the private sector from making long-term loans – which is why Ex-Im Bank is needed now more than ever. I hope that Congress will reauthorize the Bank as soon as possible so that businesses large and small can have the certainty they need to remain competitive in the global marketplace.

As we look for more opportunities for American small businesses to thrive, we must make sure that the doors to the world's economies remain open to them. I look forward to working with our partners in both the private and public sectors to build on the progress we made in 2013.

Sincerely,



Fred P. Hochberg
Chairman and President